DOCUMENT RESUME

ED 172 435 EA 011 870

AUTHOR McMaster, Donald J.; Sinkin, Judy G.
TITLE Money and Education: A Guide to New York School Finance.
INSTITUTION Educational Testing Service, Washington, D.C. Education Policy Research Inst.
SPONS AGENCY American Federation of Teachers, Washington, D.C.; National Inst. of Education (DHEW), Washington, D.C.
PUB DATE Mar 77
CONTRACT NIE-6-76-0062
NOTE 64p.

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS Elementary Secondary Education; Equalization Aid; *Expenditure Per Student; *Finance Reform; *Foundation Programs; Income; Property Appraisal; Property Taxes; School Districts; *State Aid; Tables (Data); Tax Rates
IDENTIFIERS *New York

ABSTRACT

This manual provides an introduction and guide to the system of financing elementary and secondary education in the state of New York. Chapter 1 explains how the state's education finance plan operates by allowing districts to calculate aid under two foundation formulas. Chapter 2 describes how the state's plan addresses disparities by equalizing the raising and distributing of resources for education. Tables, formulas, and exercises are provided throughout the document for users. (Author/LD)

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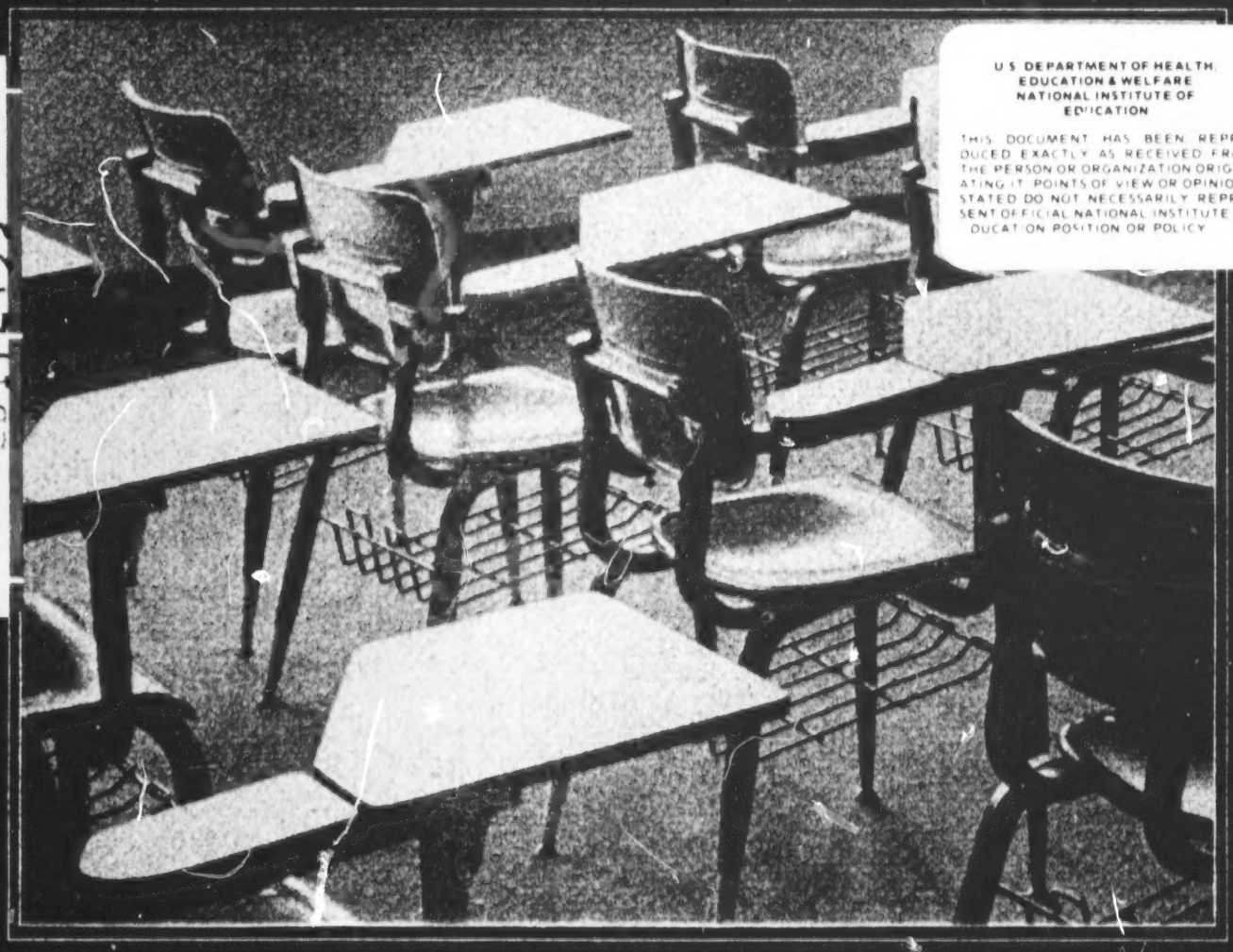
MONEY AND EDUCATION

A Guide to New York School Finance



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Education Policy Research Institute
of the
Educational Testing Service

Published
by the
American Federation of Teachers

HE 013 470

MONEY AND EDUCATION: A GUIDE TO NEW YORK SCHOOL FINANCE

by

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Prepared for

The American Federation of Teachers

Under contract #N.I.E.-6-76-0062

March 197?

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CHAPTER I

STATE SUPPORT FOR ELEMENTARY AND SECONDARY EDUCATION

There are 705 major school districts in New York State representing a wide range of sizes, property wealth, income wealth, and life-styles. The largest district, New York City, educates over 800,000 students; the smallest district, Quoque, educates less than 70 students. The property wealth of districts varies from over $400,000 per pupil to less than $10,000 per pupil, and the income wealth among districts varies from an average family income of over $41,000 to a low of $6,100. Some districts are highly urbanized; others are totally rural in character. These differences among districts in size, wealth, and character result in different educational needs, different educational demands, and differing abilities to pay for educational services. A state's education finance plan is intended to address these differences and assure each student is provided with a minimum adequate education no matter where he/she may reside. It attempts to equalize the revenue that is available to school districts for the cost of each student's education. The subject of this chapter is how New York State's education finance plan undertakes this equalization objective; how state aid is distributed to make up for the differences among districts in needs, demands and abilities to pay. In the next chapter we will show you how to evaluate New York State's effectiveness in attaining the equalization objective.

New York's Education Finance plan draws upon an equalization formula known as the Minimum Foundation Program to distribute aid to school districts. A Minimum Foundation Program addresses disparities in district

ability to support the cost of education and is the most popular type of state aid distribution program. The way it works is that the state determines a per pupil cost that it will support and guarantees that every school district will have at least this amount per pupil. To participate in the program, a school district is required to levy a state determined tax rate. State aid is the difference between the guaranteed per pupil cost and what a local district raises using the state set tax rate.

This chapter is predicated on the assumption that evaluating your state's plan for financing education requires a working knowledge of how it operates. Therefore, the major features of New York's finance program are outlined, including the step-by-step calculation of a school district's state aid allocation. In order to assist you in understanding New York's formula for financing education, exercises appear throughout the chapter. You should complete each set of exercises before proceeding to new material.

New York's Education Finance Plan

Under New York's Education Aid Formula, each school district is guaranteed a basic amount of money for the cost of each pupil's education. This guaranteed amount is known as the Foundation Amount. Local school districts must contribute to this guaranteed amount. The local share is determined by levying a tax rate on a district's property valuation. The amount raised by a district for the cost of each pupil's education from the state set tax rate is known as the Required Contribution. State Aid per pupil is the difference between the Foundation Amount and the district's Required Contribution. Thus,

State Aid Per Pupil	=	Foundation Amount Per Pupil	-	Required Contribution Per Pupil

Foundation Amount

New York's education finance plan guarantees a fixed amount of dollars for each student's education called the Foundation Amount. This amount is intended to cover the basic cost of each student's education. The Foundation Amount established for New York's aid formula is $1,200 per pupil for 1976-77. A district is expected to contribute to this guaranteed amount. Substituting in the general foundation formula above, State Aid per pupil is the difference between the state guaranteed $1,200 and a district's Required Contribution. Thus,

State Aid Per Pupil	=	$1,200	-	Required Contribution Per Pupil

In order to determine the amount of State Aid per pupil for a district, it is first necessary to calculate the district's Required Contribution.

Required Contribution

A district's Required Contribution is a district's property valuation multiplied by a state determined tax rate, known as the Required Tax Rate. Thus,

Required Contribution	=	Property Valuation	x	Required Tax Rate

The Required Tax Rate is a uniform tax rate set by the state and is 15 mills for 1976-77. Mills can be expressed as dollars per thousand dollars and the tax rate can therefore be expressed as $15 dollars per thousand or .015. This tax rate is applied to a district's full valuation of real property to obtain the Required Contribution. In New York, the Required Contribution is determined in per pupil terms. In order to obtain the Required Contribution per pupil, you must first determine the property valuation per pupil. This is found by dividing the total property value of a district by the number of pupils in the district. Thus, if a district has a total property valuation of $10,000,000 and 1,000 pupils, its per pupil property valuation is $10,000,000/1,000 or $10,000.

For the purpose of determining per pupil property valuation, New York uses a pupil count known as RWADA. This is Resident Weighted Average Daily Attendance. However, for purposes of distributing State Aid, New York uses Average Daily Attendance (ADA) as the basis of its pupil count. (For a full explanation of ADA see Appendix A.) Weighted Average Daily Attendance (WADA) accounts for differences in the cost of educating pupils in different grade levels. Resident Weighted Average Daily Atten-

dance (RWADA) refers to the calculation of WADA for all public school pupils residing in a district no matter where they attend school. Table I shows the weights used for different grade levels and the calculation of Resident Weighted Average Daily Attendance (RWADA) for a hypothetical school district.

TABLE I

CALCULATION OF RESIDENT WEIGHTED AVERAGE DAILY ATTENDANCE

Educational Program	Program Weighting	Number of Resident ADA	RWADA
Half-Day Kindergarten	0.50	400	200
Full-Day Kindergargen through Grade 6	1.00	300	300
Full-Day Grades 7-12	1.25	400	500
District RWADA			1000

Note in Table I:

- Higher grade levels are assigned a higher weighting.
- The Resident Weighted Average Daily Attendance (RWADA) for a program category is found by multiplying the number of resident ADA in the program category by the associated weighting. Total Resident Weighted Average Daily Attendance of the school district is the sum of RWADA in each program category.

Once you have determined the property valuation per WADA in a district, you are prepared to calculate a district's Required Contribution per pupil. Assume our hypothetical district in Table I with 1000 RWADA has a full valuation of real property of $10,000,000. Determining this district's Required Contribution requires two steps:

1. Determine the district's property valuation per RWADA by dividing the full valuation of real property by RWADA:

   $10,000,000/1,000 = $10,000

2. Determine the Required Contribution per RWADA by multiplying the property valuation per RWADA by the Required Tax Rate of 0.015:

   $10,000 x 0.015 = $150

Districts with high property values per RWADA have a higher Required Contribution than districts with low property values. For example, Table II shows the Required Contribution per RWADA for three school districts. District A with a valuation of $10,000 per RWADA is required to contribute $150, whereas District C with a valuation of $60,000 is required to contribute $900.

TABLE II

REQUIRED CONTRIBUTION PER PUPIL

District	Property Value per RWADA	Required Millage Rate	Required Contribution per Pupil
District A	$ 10,000	0.015	$ 150
District B	30,000	0.015	450
District C	60,000	0.015	900

Exercises on Required Contribution Formula

1. A district with 1,000 resident elementary ADA and 2,000 resident high school ADA has how many resident weighted ADA?

   a. 3,000
   b. 2,500
   c. 3,500
   d. 3,250

2. A district has 5,000 RWADA and a total property valuation of $2,000,000. What is this district's wealth per RWADA?

   a. $400
   b. $320
   c. $4,000
   d. $40,000

3. A district with 2,000 resident elementary ADA and 2,400 resident secondary ADA has a total property valuation of $50,000,000. What is the district's wealth per RWADA?

   a. $11,363
   b. $11,111
   c. $ 9,090
   d. $10,000

4. What is the Required Contribution per pupil of a district with a property valuation of $40,000 per RWADA?

   a. $50,000
   b. $ 600
   c. $ 6,000
   d. $ 60

5. A district has 1,000 RWADA and a total property valuation of $60,000,000. What is this district's Required Contribution per pupil?

   a. $900,000
   b. $ 90
   c. $ 720
   d. $ 900

6. A district has 300 resident elementary ADA, 400 resident high school ADA and a total property valuation of $8,000,000. What is this district's Required Contribution per pupil?

   a. $150
   b. $15
   c. $171
   d. $137

State Aid

Now that you have seen how to determine the Required Contribution, you can determine State Aid. Remember,

State Aid = $1200 - Required Contribution Per Pupil

Recall that our example District A with a valuation per RWADA of $10,000 had a Required Contribution of $150 per RWADA. Thus, State Aid for this district is:

State Aid Per Pupil = $1200 - $150
= $1050

One purpose of the New York finance plan is to lessen the disparity in the ability of districts to raise revenue. Therefore, low wealth districts receive more State Aid than high wealth districts. You have already seen in Table II that the Required Contribution increases as the property valuation per RWADA increases. Table III shows the State Aid per pupil for the same three districts. District A receives $1,050 in State Aid whereas District C receives only $300.

TABLE III

STATE AID

District	Property Value Per RWADA	Foundation Amount	Required Contribution Per Pupil	State Aid Per Pupil
District A	$ 10,000	$1,200	$ 150	$ 1,050
District B	30,000	1,200	450	750
District C	60,000	1,200	900	300

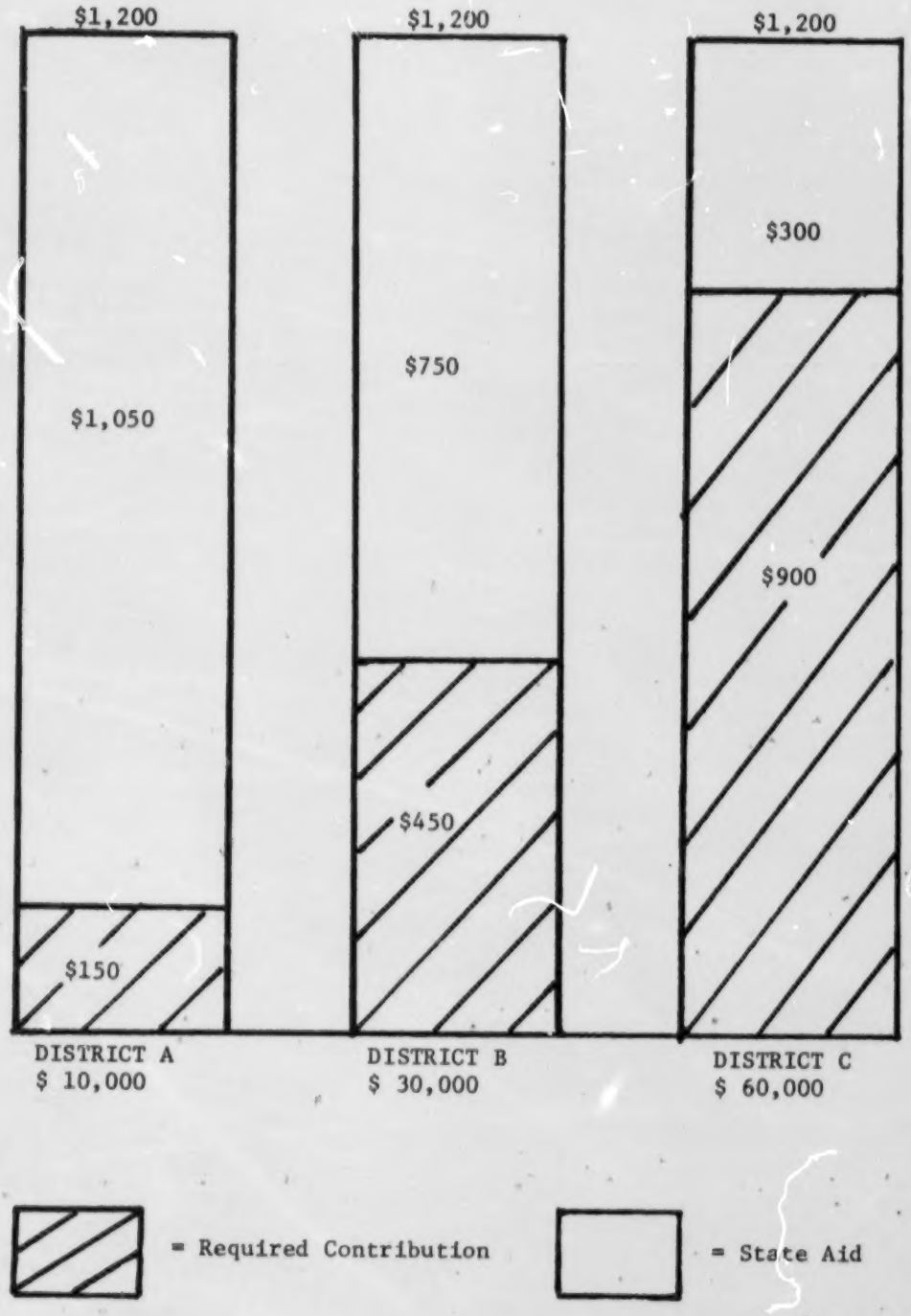
Figure 1 shows the Required Contribution and State Aid as components of the Foundation Amount for the three districts in Table III.

Note in Figure 1

- The property value per RWADA is listed at the bottom of each bar.
- The Foundation Amount is displayed at the top of each bar.
- The Required Contribution is the marked area at the bottom of each bar.
- State Aid per pupil is represented by the white area. State Aid makes up the difference between the Foundation Amount and Required Contribution.

FIGURE 1

REQUIRED CONTRIBUTION AND STATE AID AS COMPONENTS OF FOUNDATION AMOUNT



Exercises on State Aid

7. A district has a Required Contribution of $400 per pupil, what amount of State Aid per pupil will the district receive?

   a. $400
   b. $800
   c. $1,200
   d. Not enough information

8. A district with a property valuation of $30,000 per RWADA receives what amount of State Aid per pupil?

   a. $450
   b. $1,200
   c. $1,650
   d. $750

9. A district with 1,500 RWADA and a total property valuation of $30,000,000 receives what amount of State Aid per pupil?

   a. $300
   b. $900
   c. $1,200
   d. $1,500

10. A district has 300 resident elementary ADA, 320 resident high school ADA and a total property valuation of $28,000,000. What amount of State Aid per pupil does this district receive?

    a. $600
    b. $523
    c. $1,200
    d. $677

Alternative Foundation Program

Under the New York formula it is possible for a district to raise more than the state guarantee of $1,200 at the required tax rate of .015. For example, a district with a valuation of $110,000 per RWADA would raise ($110,000 x .015) or $1650 per RWADA. A district with a valuation of $80,000 per RWADA would raise ($80,000 x .015) or $1,200. These districts would receive no State Aid. To alleviate this problem, the state allows districts to calculate aid under an alternative formula and to select the formula which results in the highest State Aid per pupil. The formulas differ in the Foundation Amount and the Required Contribution. The formula just described is often referred to as the Basic Aid formula. The alternative formula, which will be described now, is known as the Minimum Aid formula. The Foundation Amount under the Minimum Aid formula is $461 per pupil. Substituting in the general foundation formula, State Minimum Aid per pupil is,

$$\text{State Minimum Aid Per Pupil} = \$461 - \text{Required Contribution Per Pupil}$$

The Required Contribution using the Minimum Aid formula is calculated in the same way as you have already seen for the Basic Aid formula, but the Required Tax Tate is different. The Required Tax Rate for 1976-77 using the Minimum Aid formula is one mill. Recall that mills are dollars per thousand dollars and thus a one mill tax rate can be expressed as .001. This tax rate is applied to a district's full valuation of real property per Resident Weighted Average

Daily Attendance (RWADA) to obtain the Required Contribution per pupil. Thus, the Required Contribution per pupil using the Minimum Aid formula is:

Required Contribution Per Pupil	=	.001	x	Property Valuation Per RWADA

State Aid using the Minimum Aid formula is the difference between the Required Contribution per pupil and the guaranteed amount of $461 per pupil. Thus, using this formula, our example District A with a valuation of $10,000 per RWADA makes a contribution of $10 per pupil (.001 x 10,000) and would have ($461 - $10) or $451 per pupil of State Minimum Aid. Recall that this district received $1,050 under the Basic Aid formula. Thus, this district would choose the Basic Aid formula. However, District C with a valuation of $60,000 per RWADA would receive more State Aid under the Minimum Aid formula. It would receive ($461 - $60) or $401 per pupil. Remember, this district received only $300 per pupil of State Aid under the Basic Aid formula. Thus, the Minimum Aid formula would be preferred.

The Minimum Aid formula is beneficial to districts with valuations per RWADA over $52,786. Thus, there is a range of property valuation per RWADA where a district could receive State Aid under the Basic Aid formula, but where it would be to the advantage of the district to use the Minimum Aid formula.

Exercises on Alternative State Aid Calculation

11. What is the Required Contribution per pupil of a district with a property valuation per RWADA of $75,000 using the Minimum Aid formula?

    a. $750
    b. $1,125
    c. $386
    d. $75

12. A district has 1,000 RWADA and a total property valuation of $90,000,000. Using the Minimum Aid formula, what is this district's Required Contribution per pupil?

    a. $90
    b. $900
    c. $371
    d. $1,350

13. A district has 400 resident elementary ADA, 480 resident high school ADA and a total property valuation of $70,000,000. Using the Minimum Aid formula, what is this district's Required Contribution per pupil?

    a. $1,050
    b. $389
    c. $700
    d. $70

14. A district has a Required Contribution of $91 per pupil, what amount of State Aid per pupil will the district receive using the Minimum Aid formula?

    a. $91
    b. $370
    c. $1,109
    d. $552

15. A district with a property valuation of $65,000 per RWADA receives what amount of State Aid per pupil using the Minimum Aid formula?

    a. $65
    b. $975
    c. $396
    d. $225

16. A district with 2,000 RWADA and a total property valuation of $200,000,000 receives what amount of State Aid per pupil using the Minimum Aid formula?

a. $361
b. $461
c. $360
d. $381

17. A district has 600 resident elementary ADA, 320 resident high school ADA and a total property valuation of $85,000,000. What amount of State Aid per pupil does this district receive using the Minimum Aid formula?

a. $85
b. $461
c. $1,275
d. $376

18. A district has a property valuation per RWADA of $52,800. What amount of State Aid per pupil does this district receive using the Basic Aid formula? What amount using the Minimum Aid formula?

	Basic	Minimum
a.	$408.20	$408
b.	$408	$408.20
c.	$792	$52.08
d.	$1,200	$461

Assured State Aid Amount

You have just seen that there are two foundation formulas used in New York state. State Aid per pupil under each formula is calculated in the same way, but the formulas differ in the Foundation Amounts and required tax rates used. The Basic Aid formula has a Foundation Amount of $1,200 per pupil and a Required Tax Rate of .015, whereas the Minimum Aid formula has a Foundation Amount of $461 and a Required Tax Rate of .001.

In addition to allowing districts to calculate aid under two formulas, the New York finance plan assures that no district will receive less than $360 in formula aid. This floor on State Aid is often referred to as the Flat Grant formula. Districts that would receive less than $360 per pupil of State Aid using the Minimum Aid formula still receive $360 per pupil of State Aid. For example, a district with a valuation per RWADA of $150,000 would receive $311 in Minimum Aid.

$$\begin{aligned} \text{State Minimum Aid} &= \$461 - [.001\ (\$150{,}000)] \\ &= \$461 - \$\ 150 \\ &= \$311 \end{aligned}$$

However, due to the Flat Grant "formula," this district will receive $360 per pupil in State Aid.

Applying New York's most favorable aid provision, districts with property valuations per RWADA greater than $101,000 benefit from the Flat Grant "formula." This assures the extremely wealthy New York districts a minimum of $360 of State Aid per pupil.

Table IV summarizes the information necessary to calculate State Aid under New York's formulas. The table also shows the property values at which the use of each formula becomes an advantage. A district with a property valuation per RWADA less than $52,785 benefits most from the Basic Aid formula, a district with property valuation per RWADA equal to or greater than $101,000 receives the most State Aid per pupil under the Flat Grant "formula."

TABLE IV

BASIC ELEMENTS OF NEW YORK AID FORMULAS

Foundation Formula	Guaranteed Amount	Required Tax Rate	Range of Property Valuation Per RWADA
Basic Aid Formula	$ 1,200	.015	Less than $52,785
Minimum Aid Formula	461	.001	$52,786 - $101,000
Flat Grant Aid	360	.000	More than $101,000

Summary Exercise on State Aid Formulas

19. For the following five districts determine the amount of State Aid per pupil a district would receive using each of the New York aid formulas. Fill in the matrix with the appropriate State Aid per pupil amounts. Applying New York's most favorable aid provision, identify which formula each district should use.

District	Property Valuation Per RWADA	Basic Aid Formula	Minimum Aid Formula	Flat Grant	Most Favorable Formula
1	$ 20,000				
2	60,000				
3	80,000				
4	100,000				
5	120,000				

Total Operating Aid

Thus far we have calculated State Aid per pupil. Once you have calculated State Aid per pupil using one of the formulas, you can determine the total State Aid a district will receive, called Total Operating Aid. A district's Total Operating Aid is found by multiplying the formula State Aid per pupil by the district's pupils. The number of pupils in a district for the purpose of distributing State Aid is Total Aidable Pupil Units (TAPU). Thus, to determine Total Operating Aid you multiply State Aid per pupil for the district by the number of TAPU in the district. A district with State Aid per pupil of $1,050 and 1,500 TAPUs would have Total Operating Aid of:

Total Operating Aid	=	Total Aidable Pupil Units (TAPU)	x	Formula State Aid Per Pupil
	=	1,500	x	$1,050
	=	$1,575,000		

TAPU differs from RWADA, which you remember is used to calculate property valuation per pupil. Both pupil counts are based on ADA. However, the calculation of TAPU uses a different weighting system than RWADA. To calculate TAPU you first need to determine the number of ADA who attend full time grades K-12. These students have a weight of 1.00. Students who are attending half-day kindergarten are counted as .50 TAPU. There are additional weightings for other types of students. The additional categories and weightings are shown in Table V.

TABLE V

ADDITIONAL WEIGHTINGS FOR TAPU

Category	Additional Weighting
Special Educational Needs	.25
Non-severely Handicapped	1.00
Non-duplicated	---
Pupils in Grades 7 - 12	.25
Summer School	.12
Evening School	.50

Note in Table V:

- These weightings are in addition to the 1.00 grade level weighting. For example, a 6th grade student with non-severe handicaps receives a weighting of 1.00 for grade 6 and an additional weighting of 1.00 for the non-severe handicaps.
- The definition and explanation of each category is given in Appendix B.

Table VI shows the different combinations of student categories and the corresponding weights used in the calculation of TAPU. The weights are multiplied by the number of ADA in each category to obtain the weighted ADA. Total aidable pupil units is the sum of weighted ADA in each category.

TABLE VI

CALCULATION OF TAPU

Student Category	Weight	ADA	Weighted ADA
Students in Full Time Grades K - 12	1.00	500	500
Regular Students in Half-Day Kindergarten	.50	0	0
Students With Special Educational Needs in Grades K - 12	.25	100	25
Non-severely Handicapped Students in Grades K - 12	1.00	25	25
Non-duplicated Grades 7-12	.25	100	25
Evening School Students	.50	50	25
Summer School Students in Grades K-12	.12	100	12
			612

Note in Table VI:

- This hypothetical district has 500 ADA in grades K -12. Each student receives a weighting of 1.00. These students receive additional weightings for the other categories.

- The Total Aidable Pupil Units for our hypothetical district is the sum of column 3, 612. This district has an ADA of 500. Thus TAPU increases the student count by 112 students.

- TAPU is based on ADA attending school in the district rather than resident ADA. If a student attends school in another district this student is included the TAPU of the district where he/she attends school.

Other Formula Provisions

There are two other formula provisions that you should know about: (1) Proportional Reduction of Aid; and (2) Hold Harmless.

Proportional Reduction of Aid

The New York formula provides for a reduction of State Aid if a district does not spend the full foundation amount. For instance, if a district with a property valuation of $10,000 spends $200 less than the foundation amount or $1,000, this district has its aid reduced. The steps necessary to determine Proportional Aid are explained in Appendix C.

Hold Harmless

A hold harmless provision assures that no district will receive less State Aid than it received the previous year. New York has two hold harmless provisions.

One hold harmless provision assures each district the same per pupil amount in State Aid that it received the previous year. The second hold harmless provision assures each district the same amount of total aid as the previous year.

CHAPTER II

STUDYING NEW YORK STATE'S EDUCATION FINANCE PLAN

Since the early decades of this century, one important purpose of most school finance plans has been to achieve greater equity in funding and greater equality in the distribution of educational services. Equity and equality are broad and vague terms, but in school finance, their meanings have frequently been reduced to measurable differences, or disparities in expenditures and/or services among districts in a state. A glance at the districts within New York State reveals a variety of such differences, e.g., disparities in the amount of money spent for each pupil; in the tax rate used to raise money for education; in the type of school programs available to students and in the achievement of students. A state education finance plan may be designed to reduce one or some combination of these, or other, types of disparities. That is, the plan may attempt to "equalize" per pupil expenditures, "equalize" the revenue raised by the districts, "equalize" the program offerings, or "equalize" the achievement levels.

The manner in which equalization is defined and measured, and the criteria used to determine if "equalization" is achieved are important considerations in evaluating the impact of a state school finance plan. A plan may go a long way in alleviating the problems of one type of disparity without affecting other types of disparities, or, in fact, worsening other disparities. For example, a plan may "equalize" per pupil expenditures among school districts, but in the process increase the disparities among districts in the tax rate they must apply. Similarly, what is "equalizing" under one definition, measurement,

or method of analysis may not be "equalizing" under another set of criteria. In other words, there are trade-offs to be made, and in evaluating the impact of a state finance plan, it is important to investigate its implications under varying concepts or measures of equality.

The first decision that must be made in the formulation of an education finance plan is what is to be "equalized?" A plan may address disparities in raising of resources. Or, it can address the "equalization" of the distribution of resources for education. Most often, it addresses both. New York State's education program addresses both types of disparities, and is intended to "equalize" the raising and distributing of resources for education.

Equity in the Raising of Resources

The first step in equalizing the raising of resources for education is to decide upon a definition of equity: either the "same treatment for everyone" or "different treatment for different needs." For the raising of revenues, New York employs the definition -- "equal treatment for everyone." For the raising of resources this definition of equity is translated into practice by use of a state set standard tax rate on the "wealth" of each district.

Wealth

District "wealth" is a basic part of any state finance plan since it is used to determine a district's ability to support education. Although in theory "wealth" can be defined in many ways, most states, like New York, define "wealth" in terms of the amount of property value backing each student in a district. Property wealth is measured as the Full

TABLE I

PROPERTY VALUE PER PUPIL FOR A SAMPLE OF DISTRICTS
1975-1976

District	Number of Pupils (RWADA)	Full Valuation Per Pupil (RWADA)
Madison	837	$ 18,078
Bolivar	837	20,081
Elba	940	22,083
Greene	1,895	23,689
Albion	3,340	25,275
Middle Country	17,127	26,717
North Tonawanda	8,704	28,115
Central Islip	7,771	29,751
Ausable Valley	2,241	31,372
Liverpool	12,570	33,084
Scotia-Glenville	4,271	35,193
Lakeland	8,597	36,972
Buffalo	56,900	39,189
South Country	4,361	39,217
Grand Gorge	259	42,115
Clarence	4,822	45,101
Syracuse	25,563	47,364
Waterford-Half	1,336	47,687
Delaware Valley	847	52,783
Rochester	41,201	54,423
Huntington	7,815	56,878
Floral Park	3,872	63,535
New York City	1,001,865	71,196
Katonah-Lewisboro	3,749	73,131
Windham-Ashland	677	82,619
Albany	9,696	85,433
Colton-Pierrep	614	104,303
Oysterponds	272	173,943

Source: Official New York State Education Department data compiled and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

Valuation of Taxable Real Property. For purposes of determining a district's wealth, students are counted in terms of Resident Weighted Average Daily Attendance (RWADA).

Before we begin examining wealth disparities in New York State, we must recognize a unique characteristic of the state — that one school district, New York City, educates nearly thirty percent of the students in the state. If we were to include New York City in our analysis, its size would distort the statewide figures. Therefore, we will describe New York City separately from the other 704 school districts. When we show a set of sample districts, New York City will be included. When we use statewide figures -- New York City will be excluded.

Describing Disparities in Property Wealth

To demonstrate disparities in wealth in New York, we show the per pupil property values for a small number of districts. The sample includes large central city districts, suburban districts, and rural districts from counties throughout the state. In Table I the districts are arranged from the district with the lowest property value to the district with the highest property value. Table I shows that there are wide differences among the districts in their per pupil (RWADA) property values. For example, the poorest district in our sample, Madison, has a valuation of $18,078 per pupil while the richest district, Oysterponds, has a valuation of $173,943.

It is easy to look at Table I and see that there are disparities in the property values among the sample districts. However, in order

to describe the disparities for this or larger samples of school districts or between all districts in the state, it is useful to employ some summary measures.

One way of summarizing is to obtain a simple average. The mean or average property valuation per pupil for our sample of districts is $50,333. This is the sum of each district's property valuation per RWADA, or $1,409,327, divided by the 28 school districts in the sample.

A simple average does not account for the differences among districts in the number of pupils. A weighted average accounts for these differences. It is obtained by dividing the total property valuation of the sample districts by the total number of pupils (RWADA) in those districts. The total property valuation for our sample (including New York City) is $81,549,657,367 and there are 1,232,979 pupils. Thus, the weighted average property valuation for the sample is $66,140 per RWADA. The impact of New York City on these statistics can be seen when one carries out the same calculations excluding New York City. Without the New York City school district, the total property valuation in the sample drops to $10.2 billion, the student count is only 231,114 and the weighted average property valuation is reduced to $44,224: a 33 percent reduction in property wealth for the sample when New York City is excluded.

The median is the middle value when you arrange the values according to size. In Table I, the school districts have been arranged from the lowest property valuation to the highest valuation per RWADA. The median is the property valuation per RWADA that is half way from the district with the lowest value and half way from the district with the highest property valuation per RWADA. There are 28 districts in the sample; the

value that divides the 28 school districts into two equal parts of 14 school districts each is the property valuation between the 14th and 15th districts. Thus, the median property valuation per RWADA is the valuation halfway between South County and Grand Gorge, or between $39,217 and $42,115. The median value is $40,666.

Each type of average — the simple, weighted average, the median — can be used to describe disparities by comparing them with the actual values for individual school districts. For example, you may indicate how much a particular school district varies from the average. You may use this procedure to group districts, such as the number of districts that are within $500 of one of the measures and so on. However, averages do not indicate how widely dispersed the districts are. The range is the difference between the highest and lowest values. Among the sample districts, Oysterponds has the highest property valuation per RWADA, $173,943, and Madison the lowest, $18,078. The range is then $173,943-$18,078, or $155,865. Often the range is represented as a ratio, found by dividing the highest value by the lowest value. For the sample districts it is ($173,943 ÷ $18,078), or 9.62:1. Used with the average, weighted average, or median, the range indicates how accurately the summary measure represents actual property values. For example, if we had obtained a range of only $100 for the sample districts this would indicate that the average is fairly representative of the actual property values in the sample. Specifically, it would indicate that no district's property value differs substantially from the average property valuation because the wealthiest and poorest districts are separated by only $100. Since the range is much larger

for the districts in our sample, the average is not a good representation of the actual property values of a particular district.

Exercises on Summary Measures of Wealth

The districts below are taken from Table I. Using the information provided for these districts, answer the questions below.

District	Number of Pupils (RWADA)	Full Valuation per RWADA
Albion	3,340	$ 25,275
North Tonawanda	8,704	28,115
Liverpool	12,570	33,084
Buffalo	56,900	39,189
Syracuse	25,563	47,364
Delaware Valley	848	52,783
Rochester	41,200	54,423
Hunington	7,815	56,878
Floral Park	3,872	63,535
Albany	9,696	85,433
Colton-Pierrep	614	104,303
TOTALS	171,122	590,382

TOTAL PROPERTY VALUATION = $8,055,514,456

1. What is the average property valuation per RWADA for these ten districts?

2. What is the weighted average property valuation per RWADA?

3. What is the range in property valuation per RWADA?

4. What is the median property value per RWADA?

Statewide Disparities in Wealth

Thus far, we have shown several indicators of disparities for a sample of New York school districts. However, the picture we have obtained for our selected sample may not be representative of statewide disparities in property wealth per RWADA. Remember, New York has 705 school districts. Table II shows the weighted average, median, and range for 704 of these districts. Remember, we are excluding New York City because its size will bias any statewide summary statistics. We see that our sample is representative of the statewide picture; the range in property wealth for the state is quite wide, with a ratio of 46.4:1 and the weighted average is $49,496.

TABLE II

WEALTH OF 704 NEW YORK STATE SCHOOL DISTRICTS
SUMMARY MEASURES

Type of District	Amount
Wealthiest District	$ 412,370
Poorest District	$ 8,884
Range (Wealthiest minus Poorest)	$ 403,486
Range (Wealthiest divided by Poorest)	46.4:1
Weighted Average	$ 49,496
Median	$ 36,593

Source: Official New York State Education Department data compiled and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

Although the summary measures that you have just learned about are useful tools for describing disparities, they still do not provide a complete picture of disparities in wealth. Even though you know the range in property values per RWADA is 46.4:1, you still don't know whether a few districts are unusual or whether the disparity is widespread. That is, you do not know if the large range is attributable to a few districts that have a high or low property valuation, or if the range reflects widespread disparities among a large number of districts. One step that you can take to determine if the disparity is widespread is to eliminate a certain percentage of the wealthiest and poorest districts, and recalculate the range. For example, if we eliminate the ten percent of districts with the highest valuation per pupil and the ten percent with the lowest valuation per pupil, we find that the range for the remaining 80 percent of school districts is substantially smaller than the statewide range. The new range in valuations is $86,300 per RWADA to $20,840 per RWADA or 4.1:1.

Another way to assess the representativeness of summary statistics is to look at the distribution of districts within the range of property wealth. In Table III we have divided districts into ranges of property valuation per RWADA and have shown the number of districts and the number of RWADA which fall within the nine different ranges of wealth. The percentage of districts and the percentage of ADA within each range is also shown. For example, 149 districts have a property value per RWADA between $20,000 and $27,999. This represents 21.2% of all New York school districts (excluding New York City), but only 14.9% of all the students (ADA).

TABLE III

DISTRIBUTION OF PROPERTY VALUES PER RWADA*

Full Value of Property Per Pupil (RWADA)	Number of Districts	Percentage Of Districts	Number of Pupils (ADA)	Percentage Of Pupils
Under $20,000	58	8.2	79,826	3.9
$20,000 - $27,999	149	21.2	308,548	14.9
$28,000 - $35,999	134	19.0	447,307	21.6
$36,000 - $43,999	97	13.8	404,376	19.6
$44,000 - $51,999	68	9.7	275,928	13.3
$52,000 - $59,999	46	6.5	184,313	8.9
$60,000 - $67,999	31	4.4	93,833	4.5
$68,000 - $75,999	25	3.6	67,976	3.3
$76,000 and Above	96	13.6	205,026	9.9
TOTALS	704		2,067,133	

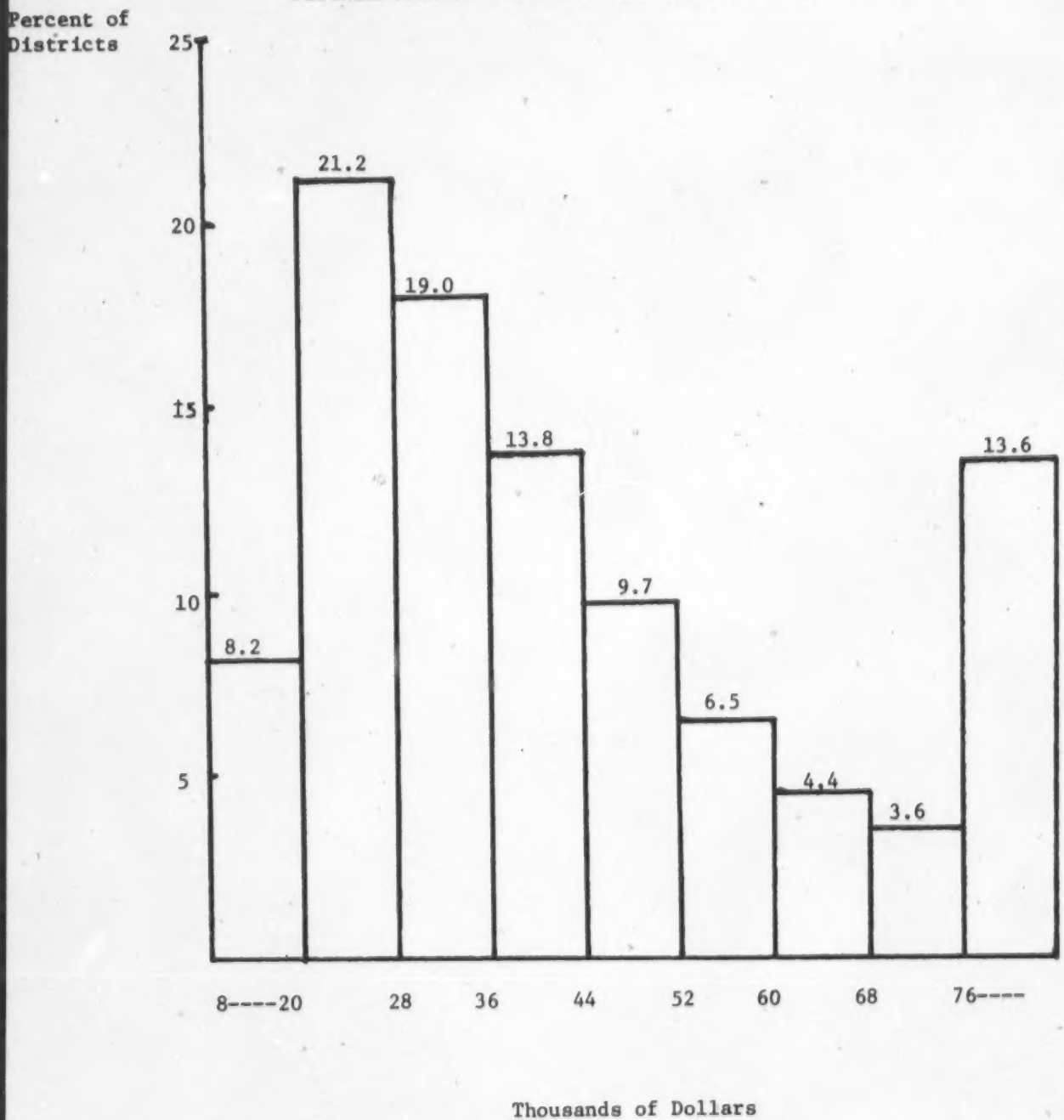
*Excluding New York City

Source: Official New York State Education Department data compiled and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

Figure I displays the distribution of property value per RWADA. In the figure, each bar represents the percentage of districts within each range of property values from Table III. The actual percentage is displayed at the top of each bar. For example, the figure reveals that 8.2 percent of New York school districts have property values under $20,000 per RWADA. The figure shows that 40.2 percent of New York districts have a property valuation between $20,000 and $36,000. Over half the districts, 62.2 percent, have a valuation less than $44,000.

FIGURE 1

DISTRIBUTION OF DISTRICTS' PROPERTY VALUATION PER RWADA



Exercises on Distribution of Property Value

5. Using the information provided in Table III draw a bar graph which shows the percentage of pupils within each range of property values per RWADA.

6. What range of property value per RWADA has the largest percentage of weighted students?

7. What percentage of students are in districts with property valuations RWADA of less than $36,000?

8. The weighted average property valuation per RWADA is $49,496. What range of property values does the average fall within and what percentage of students are within this range?

9. Compare the graph you have made with Figure 1. What can you say about the distribution of districts in comparisons to the distribution of students on wealth?

Alternative Measures of Wealth

Although New York uses property valuation per RWADA in its aid distribution formula as the measure of ability to pay, other measures of wealth can be employed. Income and property can be added, or property valuation can be adjusted by income. In order to see the effect of the inclusion of income in the measure of wealth in New York, you need to look at the relationship between income and property value. Are property wealth and income related? Are property rich districts also high income districts? Similarly, do property poor districts have lower income levels? In Table IV we show the average family income for each of the 9 ranges of property valuation per pupil. There appears to be a direct relationship between property valuation and average family income. As the property valuation of the district increases, on the average, the average family income of the district also increases.

Another way to measure wealth is to divide total property valuation by the number of students enrolled or the average daily membership or the average daily attendance of a district, rather than by RWADA. Districts throughout the state have a different relationship between their enrollment or membership figures and their average daily attendance counts. As we see in Table V, large urban districts which have greater than average dropout rates and attendance problems show a larger number of pupils if they are counted on an enrollment basis. For instance, Buffalo has an ADA of 48,799, an ADM of 57,538 and enrollment of 56,831. While Buffalo has a property valuation per ADM of $45,694, its property valuation per ADM is $38,754, and its property valuation per pupils enrolled is $39,236.

TABLE IV

THE RELATIONSHIP BETWEEN INCOME AND PROPERTY VALUATION

Full Value of Property Per Pupil (RWADA)	Average Family Income
Under $20,000	$ 9,540
$20,000 - $27,999	10,978
$28,000 - $35,999	11,616
$36,000 - $43,999	12,196
$44,000 - $51,999	13,559
$52,000 - $59,999	14,062
$60,000 - $67,000	14,152
$68,000 - $75,999	15,446
$76,000 and Above	18,277

Source: Official New York State Education Department data compiled and analyzed by Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

TABLE V

THE RELATIONSHIP BETWEEN AVERAGE DAILY ATTENDANCE, AVERAGE DAILY MEMBERSHIP AND PUPILS ENROLLED IN SELECTED DISTRICTS, 1975-76

District	Average Daily Attendance (ADA)	Average Daily Membership (ADM)	Pupils Enrolled
Albany	8,430	9,514	10,335
Bolivar	738	788	774
Buffalo	48,799	57,538	56,831
Floral Park	1,430	1,550	1,626
Liverpool	11,375	12,064	12,759
Middle Country	15,650	16,669	16,694
New York City	854,811	1,028,504	1,096,460
Rochester	35,000	38,996	42,844
Syracuse	22,420	24,777	26,771
Windham-Ashland	592	627	676
STATE TOTALS: (excluding New York City)	2,936	3,142	3,242

Source: Official New York State Education Department data compiled and analyzed by Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

Another type of wealth measure that has been used in some states is per capita property value. Property value per capita is the total property value of the district divided by its total population. In order to determine the effect of this type of wealth measure you need to look at enrollment ratios.

The enrollment ratio is the number of pupils in a district, divided by the total population of the district; it indicates what percentage of the population is enrolled in the public school system. In New York, where a large number of pupils in certain districts attend parochial or private schools, or where some districts contain a concentration of retired citizens, enrollment ratios can vary dramatically. Table VI shows some examples of the variation in enrollment ratios. As the Table shows, the size of the total population is not necessarily a good indicator of the enrollment ratio of the district.

Districts with low enrollment ratios would have their relative wealth lowered by the use of a per capita wealth measure. For example, consider two districts (District A and B) each with the same total property valuation of $35,000,000 and the same number of students, 1,000. Each district would have the same property value per student of $35,000,000/1,000 or $35,000. However, assume that the population in these two districts is different. For instance, assume District A has a population of 6,250 and District B has a population of 3,125. District A then has an enrollment ratio of 16 percent $(\frac{1000}{6250})$ and District B has an enrollment ratio of 32 percent $(\frac{1000}{3125})$. If property values were figured per capita, District A would have a property value per capita of ($35,000,000/6,250) or $5,600 and District B would have a

TABLE VI

ENROLLMENT RATIOS IN SELECTED DISTRICTS

District	Total Population	Number of Pupils (ADA)	Enrollment Ratio Percent
Albany	115,876	8,430	7.3
Bolivar	2,678	738	27.6
Buffalo	462,770	48,799	10.5
Floral Park	21,964	1,430	6.5
Liverpool	35,261	11,375	32.3
Middle Country	52,197	15,650	30.0
New York City	7,892,059	854,811	10.8
Rochester	295,657	35,000	11.8
Syracuse	197,802	22,420	11.3
Windham-Ashland	1,839	592	32.2
STATE TOTALS: (excluding New York City)	10,564,992	2,444,249	23.1

Source: Official New York State Education Department data compiled and analyzed by Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

property value of ($35,000,000/3,125) or $11,200. Thus, the district with the lower enrollment ratio, District A, would now be considered to have a lower ability to pay.

Equity in the Distribution of Resources

We have seen that New York adopts in the abstract the "equal treatment for everyone" definition of equity for the raising of resources for education. In the distribution of resources, too, a plan must adopt a definition of equity. New York defines equity in the distribution of resources as "different treatment for different needs." This definition is translated into practice through the system of distributing state aid according to Total Aidable Pupil Units (TAPUs). The weights used in calculating a district's TAPUs reflect the value that different students have different needs.

Weighting

Table VII shows the ADA, TAPU and the percentage increase in the student count due to weightings for our sample of New York school districts. The percentage increase in TAPUs over ADA reflects New York's definition of the different needs of the student populations of different districts. Table VII ranks the districts from high to low in percentage increase of students due to weighting. The increase for our sample districts ranges from 18.7 percent in Buffalo to 2.6 percent in Oysterponds. When you are looking at the effect of weightings on the distribution of aid it is useful to determine whether the increase in student counts due to weightings (and therefore need) is related to wealth. Thus, we have also included wealth in Table VII. For our sample districts, wealth and the percentage increase due to weightings do not appear to be related. However, Table VII does show

TABLE VII

THE RELATIONSHIP BETWEEN ADA AND TAPU COUNTS FOR 28 SAMPLE DISTRICTS

District	Wealth Per RWADA	Number Of ADA	Number Of TAPU	Percentage Increase
Buffalo	$39,189	48,799	57,908	18.7%
Albany	85,433	8,430	9,742	15.6
South Country	39,217	4,167	4,804	15.3
New York City	71,196	854,811	983,051	15.0
Delaware Valley	52,783	736	767	4.2
Central Islip	29,751	6,947	7,800	12.3
Colton-Pierrep	104,303	574	641	11.7
Ausable Valley	31,372	1,940	2,149	10.8
Rochester	54,423	35,000	39,994	14.3
Middle Country	26,717	15,650	16,997	8.6
Greene	23,689	1,696	1,837	8.3
Lakeland	36,972	7,892	8,521	8.0
Albion	25,275	2,900	3,161	9.0
Bolivar	20,081	738	796	7.9
North Tonawanda	28,115	7,206	7,749	7.5
Scotia-Glenville	35,193	3,620	3,862	6.7
Madison	18,078	735	777	5.7
Syracuse	47,364	22,420	25,820	15.2
Elba	22,083	799	842	5.4
Clarence	45,101	4,119	4,335	5.2
Liverpool	33,084	11,375	11,959	5.1
Grand Gorge	42,115	220	231	5.0
Waterford-Half	47,687	1,162	1,227	5.6
Huntington	56,878	6,506	7,073	8.7
Floral Park	63,535	1,430	1,480	3.5
Katonah-Lewisboro	73,131	3,196	3,305	3.4
Windham-Ashland	82,619	592	611	3.2
Oysterponds	173,943	115	118	2.6
STATE AVERAGE (excluding New York City)		2,936	3,162	7.7

Source: Official New York State Education Department data compiled and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

that cities have a higher percentage increase -- Bufffalo has a 18.7 percent increase, Albany has a 15.6 increase and New York City has a 15 percent increase.

Expenditures

A second way of measuring equity in the distribution of resources is to examine the distribution of operating expenditures per pupil. Table VIII presents the range of operating expenses per WADA throughout the state (excluding New York City) in 1974-75.

TABLE VIII

OPERATING EXPENDITURES PER WADA IN NEW YORK STATE SCHOOL DISTRICTS, 1974-75

	Expenditures per WADA
Highest	$ 4,215
Lowest	$ 936
90th Percentile	$ 2,015
10th Percentile	$ 1,089
Range (Highest to Lowest);	4.5:1
Range (90th to 10th)	1.9:1
Weighted Average or Mean	$ 1,458

Source: Official New York State Education Department data compiled and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

The district with the highest operating expenditure spent four times as much as the district with the lowest level of spending, and the disparity between spending levels at the more typical 90th and 10th percentiles is still $2,015 to $1,089, or a ratio of 1.9 to 1.

If the distribution of educational resources followed a pattern of higher expenditures for districts with higher educational needs, equity as we have defined it would have been achieved. This appears not to be the case, however. Educational needs tend to be concentrated in the cities. Yet, we see in Table IX that while the cities spend more per pupil than do their respective suburban communities, the suburbs of New York City spend more per pupil on the average than do the upstate New York cities. This phenomenon can be explained in a number of ways. Downstate suburban districts tend to have greater taxable wealth per pupil than other suburban and nonsuburban districts. Tax resources are an important factor in school expenditure, but so also is the value placed upon education by the community -- its demand for educational services. New York City metropolitan area districts, especially, because of their population characteristics, are likely to demand a higher level of educational services and to allocate tax resources to it. As we see in Table IX, New York City subruban counties not only spend more than other districts, but they also tax themselves more heavily.

TABLE IX

OPERATING EXPENDITURES PER WADA BY GEOGRAPHICAL GROUPINGS

District Type	Operating Expenditure Per WADA (1974-75)	School Tax Rate Per $1000 Full Valuation (1974-75)
New York City	$ 2,014	$ 21.88
Four Largest Cities (excluding New York City)	1,610	19.31
Other Cities	1,496	20.00
Suburban Counties[1] (excluding cities)	1,623	22.11
New York City Suburban Counties[2]	1,893	23.86
Other Suburban Counties	1,312	18.90
Non-suburban Counties	1,241	15.05

[1]The noncity portions of Standard Metropolitan Statistical Areas.

[2]Nassau, Suffolk, Westchester, Putnam, and Rockland Counties, excluding New York City.

Source: State of New York, The State Education Department, Bureau of Educational Finance Research, Analysis of School Finances: New York State School Districts, 1974-75 (August 1976).

Services

A third measure of resource disparities is the distribution of educational services themselves. If we examine the relationship of operating expenditures per pupil to services provided by the district, we find that with hardly an exception, the higher the expenditure category, the better the ratio between pupils and professional personnel, and more specifically between pupils and classroom teachers (see Table X). In addition, as shown in Table XI the higher spending districts tend to employ teachers with a higher median level of experience and a larger proportion of teachers with master's degrees.

TABLE X

PROFESSIONAL STAFFING PATTERNS PER 1000 PUPILS (WADA) BY EXPENDITURE CATEGORY

Operating Expense Per Pupil (WADA)	Total Professional Staff	Total Classroom Teachers	Total Personnel Services	Total Administrative Staff	Total Para-Professional Staff
Under $1,000	50.80	44.80	2.51	3.49	3.49
$1,000 - $1,199	54.44	47.74	3.40	3.29	3.44
$1,200 - $1,399	57.33	49.58	3.82	3.93	5.07
$1,400 - $1,599	59.93	51.18	4.03	4.72	4.78
$1,600 - $1,799	59.29	50.08	4.19	5.02	4.87
$1,800 - $1,999	62.50	52.59	4.70	5.22	4.16
$2,000 - $2,499	67.85	56.61	5.45	5.79	5.23
$2,500 and above	76.64	62.91	5.94	7.79	6.69

Source: Official New York State Education Department data compiled and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

TABLE XI

MEDIAN TEACHER EXPERIENCE BY OPERATING EXPENSE CATEGORY

Operating Expense Per Pupil (WADA)	Median Teacher Experience	Percentage with Masters Degrees and Above
Under $1,000	7.11	20.7
$1,000 - $1,199	8.00	32.7
$1,200 - $1,399	8.51	38.5
$1,400 - $1,599	8.52	44.6
$1,600 - $1,799	9.24	51.2
$1,800 - $1,999	10.92	60.0
$2,000 - $2,499	11.52	66.2
$2,500 and Above	12.83	71.5

Source: Official New York State Education Department data compiled and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

State Aid

State Aid is intended to compensate for disparities in ability to raise revenues. Table XII shows that in New York, low wealth districts receive more state aid than high wealth districts. Although state aid is distributed to districts in inverse proportion to their wealth, the variations in local wealth are so much more extreme than the variations in aid that the state does not fully compensate for variations in ability to pay. The expenditures for the poorest disrticts (under $20,000 per RWADA in property valuation) are $1812, whereas the expenditures for the wealthiest districts (those with greater than $76,000 per RWADA in valuation) are $3263.

Wealthy districts not only raise more revenues through a combination of state aid and locally raised taxes, but they do so with greater ease than poor districts. Table XIII illustrates this phenomenon. While the districts with the least property wealth must tax at a rate of 16.68 mills to raise $336 in local revenues, the wealthiest districts can raise $2538 in local revenues with a tax rate of only $22.67 mills. In other words, the wealthiest districts can raise 7.5 times as much money from their taxpayers with no greater effort than the poorer districts.

TABLE XII

STATE AID PER PUPIL, LOCALLY RAISED REVENUES AND TOTAL EXPENDITURES PER PUPIL BY PROPERTY WEALTH PER PUPIL (1975-76)

Full Value of Property Per Pupil (RWADA)	Total State Aid Per Pupil (ADA)	Locally Raised Revenues Per Pupil (ADA)	Estimated Total[a] Expense Per Pupil (ADA)
Under $20,000	$ 1,632	$ 336	$ 1,812
$20,000 - $27,999	1,310	579	1,943
$28,000 - $35,999	1,166	832	2,096
$36,000 - $43,999	1,054	1,147	2,268
$44,000 - $51,999	919	1,367	2,312
$52,000 - $59,999	797	1,829	2,623
$60,000 - $67,999	730	1,947	2,613
$68,000 - $75,999	611	2,104	2,979
$76,000 and Above	582	2,538	3,263

Source: Official New York State Education Department data compiled and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

[a] This is an estimate of expenditures for the total school program. It includes general, special, federal aid, local and capital fund expenditures.

TABLE XIII

THE RELATIONSHIP OF WEALTH, TAX EFFORT, AND LOCALLY RAISED REVENUES

Full Value of Property Per Pupil (RWADA)	Locally Raised Revenues Per Pupil (ADA)	Weighted Average Tax Rate
Under $20,000	$ 336	$ 16.68
$20,000 - $27,999	579	20.40
$28,000 - $35,999	821	22.32
$36,000 - $43,999	1,147	23.91
$44,000 - $51,999	1,367	23.86
$52,000 - $59,999	1,829	24.58
$60,000 - $67,999	1,947	25.62
$68,000 - $75,999	2,104	24.25
$76,000 and Above	2,538	22.67

Source: Official New York State Education Department data compile and analyzed by the Education Policy Research Institute, Educational Testing Service, Princeton, New Jersey.

APPENDICES

APPENDIX A

AVERAGE DAILY ATTENDANCE

The average daily attendance (ADA) for a school is the total number of attendance days of all pupils in the school divided by the total number of days the school was in session. Thus, if 10 students attended school for 100 days, 120 students attended school for 150 days, 100 students attended school for 170 days and 100 students attended school for 180 days the total attendance would be 54,000:

120 x 150 = 18,000

100 x 170 = 17,000

100 x 180 = 18,000

10 x 100 = 1,000

54,000

If this school was in session for 180 days, then the average daily attendance for this school is

50,000/180 = 300 ADA

The average daily attendance (ADA) for the entire school district is the sum of ADA for each school in the district.

APPENDIX B

TOTAL AIDABLE PUPIL UNITS

There are five categories of pupils considered in the calculation of total aidable pupil units (TAPU) for the purpose of the distribution of state aid to school districts. All students in regular attendance receive a weight of 1.00. Thereafter, the calculation of TAPU is affected by the weightings assigned to the following categories of students: 1) pupils with special educational needs; 2) pupils with handicapping conditions; 3) summer school pupils; 4) evening school pupils; and 5) secondary school pupils.

1. Pupils with Special Needs are those determined to be below minimum competence as measured by the sixth grade pupil evaluation (PEP test). The precentage of pupils who are below minimum competence as measured by this test is multiplied by the district's total ADA to obtain the number of "pupils with special educational needs." For example, if 10 percent of all sixth grade pupuls of a district are below minimum competence, and the district has 5,000 ADA, then it is determined to have (.10 x 5000) or 500 pupils with special educational needs. This number is the subject of additional weighting. Students with special educational needs are weighted an additional 0.25. Thus, for this example district, there are (0.25 x 5,000) or 125 ADA due to weighting for special educational needs.

2. Pupils with Handicapping Conditions include all categories of students who are non-severely handicapped: trainable mentally retarded, educable

mentally retarded, visually impaired, hearing impaired, physically handicapped, severly speech impaired, or emotionally disturbed. ADA in this category receive an additional weight of 1.00. Thus, a school district with 500 ADA that fall into one of the above categories of handicapping conditions would have (1.00 x 500) or 500 additional ADA. Remember that all regular students already receive a weight of 1.00.

3. Summer School Pupils are those attending approved programs of instruction during July and August and are weighted as .0.12. Thus, a school district with 100 ADA that fall into this category would have (0.12 x 100) or 12 additional ADA.

4. Evening School Pupils are those in attendance during the evening hours in an educational program leading to a diploma or equivalency diploma. These students receive a weight of 0.50. Thus, a school district with 500 ADA that fall into this category would have (0.50 x 500) or 250 additional ADA.

5. Secondary School Pupils are those in grades seven through twelve. Students in these grade levels who have not received an additional weighted value because of special needs or handicapping conditions are weighted an additional 0.25. Thus, a school district with 2500 ADA that fall into this category would have (0.25 x 2500) or 625 additional ADA.

APPENDIX C

PROPORTIONAL REDUCTION OF AID

A district that spends less than $200 of the foundation amount has its aid reduced proportionately. For example, a district with a property valuation of $10,000 per pupil which spends $200 less than the foundation amount or $1,000 per pupil will have its state aid reduced. To determine the reduced state aid amount for this district requires the following steps:

1. Determine the Required Contribution using the foundation formula required tax rate of of 0.015:

   $$0.015 \times \$10,000 = \$150.$$

2. Determine the proportion of the foundation amount that the district is spending by dividing the district's expenditures per pupil by the foundation amount:

   $$\frac{\$1,000}{\$1,200} = \frac{5}{6}$$

3. Multiply the proportion that expenditures are of the foundation amount by the district's Required Contribution:

   $$\frac{5}{6} \times \$150 = \$125$$

4. Subtract the amount obtained in the previous step from the district's operating expenditure per pupil to determine the reduced state aid amount:

   $$\$1,000 - \$125 = \$875$$

This district receives $875 per pupil of state aid because it spends $200 less than the foundation amount. If the district were not subject to proportional reduction, it would receive ($1,200 - $150) or $1,050 per pupil of state aid.